



## **Blue Dog Blueprint for Fiscal Reform: Now is the time to act**

If we do not pay for our priorities, we are merely passing the bill – with interest – to our children and grandchildren. The “Blue Dog Blueprint for Fiscal Reform” is designed to force Congress to address these issues today.

### The truth about the debt:

- Over the past year, the public debt rose from 41 to 53 percent of GDP and is projected to grow steadily to 85 percent of GDP in the next ten years.
- Publicly held debt was \$7.6 trillion in 2009 and will double over the next 10 years if action is not taken.
- High levels of government debt negatively impact the rate of economic growth.
- Foreign holdings account for over 50 percent of all U.S. debt, with China and Japan holding \$800 billion each.
- If we maintained current debt-to-GDP ratio of 50%, interest payments would be \$322 billion in 2014. However, the debt-to-GDP ratio is projected to rise to over 70% by 2014, causing interest rates to climb to about \$500 billion.

### Why we have to do something about it:

- Government borrowing can lead to higher interest rates and make it more expensive for families to borrow money in order to purchase a home, finance an education or start a business.
- Interest payments will comprise a larger share of the budget, leading to cuts in essential programs.
- A large national debt increases reliance on foreign creditors, leaving us vulnerable and more dependent on other countries.
- Future generations will be left with the burden of paying for today's borrowing.